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ABSTRACT

This digest discusses the use of benchmarking as a strategy for assessing and improving efficiency and productivity of administrative processes and instructional models in colleges and universities. Benchmarking, developed by the Xerox Corporation in the 1980s, is defined as an ongoing, systematic process for measuring and comparing the work processes of one organization to those of another, by bringing an external focus to internal activities and functions. A four-step methodology for benchmarking is described as including (1) planning a study, (2) conducting the research, (3) analyzing the data, and (4) adapting the findings to the home institution. Four kinds of benchmarking are identified and discussed: internal, competitive, functional/industry, and generic or best-in-class. The selection of the benchmarking type depends on the processes being analyzed, and the availability of data and expertise at the institution. The applications for this methodology of assessment in higher education and the criticisms which the method has met with in the academic setting are addressed. The current uses of benchmarking in higher education, as undertaken by such organizations as the National Association of College and University Business officers, the Association for Continuing Higher Education, graduate business schools, and independent institutions are reviewed. The digest provides recommendations for institutions interested in undertaking a benchmarking study. (PRW)

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Benchmarking in Higher Education
Adapting Best Practices To Improve Quality

Jeffrey W. Alstete

Increasing competition, demands for accountability, and higher volumes of available information are changing the methods of how institutions of higher education operate in the mid-1990's. For higher education to enact substantial and sustainable changes in efficiency and productivity, a new way of thinking or paradigm that builds efficiency and a desire for continual learning must be integrated into institutional structures. Tools are also being developed that measure or benchmark the progress and success of these efforts (Keeton & Mayo-Wells 1994). Among the improvement strategies and techniques such as Total Quality Management (TQM), Continuous Quality Improvement (CQI), and Business Process Reengineering (BPR), benchmarking has emerged as a useful, easily understood, and effective tool for staying competitive.

What is Benchmarking?

Although the use of comparative data has been used for years in some industries, including higher education, benchmarking as defined today was developed in the early 1980's at the Xerox Corporation in response to increased competition and a rapidly declining market (Camp 1989). The strategy of benchmarking is important both conceptually and practically, and is being used for improving administrative processes as well as instructional models at colleges and universities by examining processes and models at other schools and adapting their techniques and approaches (Chaffee & Sherr 1992; Clark 1993). More concisely, benchmarking is an ongoing, systematic process for measuring and comparing the work processes of one organization to those of another, by bringing an external focus to internal activities, functions, or operations (Kempner 1993). The goal of benchmarking is to provide key personnel, in charge of processes, with an external standard for measuring the quality and cost of internal activities, and to help identify where opportunities for improvement may reside. Benchmarking is analogous to the human learning process, and it has been described as a method of teaching an institution how to improve (Leibfried & McNair 1992). As with other quality concepts, benchmarking should be integrated into the fundamental operations throughout the organization and be an ongoing process that analyzes the data collected longitudinally. Benchmarking attempts to answer the following questions:

- How well are we doing compared to others?
- How good do we want to be?
- Who is doing it the best?
- How do they do it?
- How can we adapt what they do to our institution?
- How can we be better than the best? (Kempner 1993)

Previously, questions like these may have not have seemed important to institutions of higher education. However, in the competitive and rapidly changing markets of the 1990s (characterized by declining enrollments and funding in higher education), organizations are learning never to be satisfied with the status-quo, and to continually question their internal operations and relative position in the eyes of prospective customers. To answer these questions, several multi-step benchmarking methods have been developed by leading benchmarking practitioners (Camp 1995; Spendolini 1992; Watson 1992). Benchmarking procedures can be condensed into four steps: planning the study, conducting the research, analyzing the data, and adapting the findings to the home institution that is conducting the study. The first step involves selecting and defining the administrative or teaching process(es) to be studied, identifying how the process will be measured, and deciding which other institutions to measure against. Second, benchmarking process data is collected using primary and/or secondary research about the colleges, universities, or other organizations being studied. The third step consists of analyzing the data gathered to calculate the research findings and to develop recommendations. At this point, the differences or gaps in performance between the institutions being benchmarked help to identify the process enablers that equip the leaders in their high performance. Adaption of these enablers for improvement is the fourth step in the first iteration of a benchmarking cycle, and the primary goal of the project.

A review of the benchmarking literature shows that there are primarily four kinds of benchmarking: internal, competitive, functional/industry, and generic or best-in-class. Internal benchmarking can be conducted at large, decentralized institutions where there are several departments or units that conduct similar processes. The more common competitive benchmarking analyzes processes with peer institutions that are competing in similar markets. Functional or industry benchmarking is similar to competitive benchmarking, except that the group of competitors is larger and more broadly defined (Rush 1994). Generic or best-in-class uses the broadest application of data collection from different industries to find the best operations practices available. The selection of the benchmarking type depends on the process(es) being analyzed, the availability of data, and the available expertise at the institution.

Is Benchmarking Applicable to Higher Education?

Due to its reliance on hard data and research methodology, benchmarking is especially suited for institutions of higher education in which these types of studies are very familiar to faculty and administrators. Practitioners at colleges and universities have found that benchmarking helps overcome resistance to change, provides a structure for external evaluation, and creates new networks of communication between schools where valuable information and experiences can be shared (AACSB 1994). Benchmarking is a positive process, and provides objective measurements for baselining (setting the initial values), goal-setting and improvement tracking, which can lead to dramatic innovations (Shafer & Coate 1992). In addition, quality strategies and reengineering efforts are both enhanced by benchmarking because it can identify areas that could benefit most from TQM and/or BPR, and make it possible to improve operations with often dramatic innovations.

Despite the majority of positive recommendations for using benchmarking and successful examples of its current use, there are critics of its applicability to higher education. The stated objections include the belief that benchmarking is merely a strategy for marginally improving existing processes, that it is applicable only to administrative processes (or only to teaching practices), is a euphemism for copying, is lacking innovation, or that it can expose institutional weaknesses (Brigham 1995; Dale 1995). These concerns are largely unfounded because benchmarking can radically change processes (if warranted), apply to both administration and teaching, adapt—not "adopt"— best practices, and if the Benchmarking Code of Conduct is followed, confidentiality concerns can be reduced. The Code of Conduct calls for benchmarking practitioners to abide by stated principles of legality, exchange, and confidentiality (APQC 1993). Benchmarking can make it possible for the industry to improve processes in a "leapfrog" fashion by identifying and bringing home best practices, and therefore offering a way of responding to demands for cost containment and enhanced service quality in a cost-effective and quality-oriented manner (APQC 1993; Shafer & Coate 1992).

Where Is Benchmarking Being Used in Higher Education?

Graduate business schools, professional associations such as NACUBO and ACHE, independent data sharing consortia, private consulting companies, and individual institutions are all conducting benchmarking projects today. The broad-based NACUBO benchmarking program was begun in late 1991, and it seeks to provide participants with an objective basis for improved operational performance by offering a "pointer" to the best practices of other organizations. Today, nearly 282 institutions have participated in the study, and the current project analyzes 26 core functions at colleges and universities, such as accounting, admissions, development, payroll, purchasing, student housing, and others (NACUBO 1995). The Association for Continuing Higher Education (ACHE) and graduate business schools have also conducted specialized benchmarking studies that focus on the processes and practices concerning their particular institutional departments (AACSB 1994; Alstete 1996). A review of the literature finds independent benchmarking projects are currently in use, or have recently been conducted, by a wide range of institutions such as the University of the Chicago, Oregon State University, Pennsylvania State University, Babson College, and many others. These independent projects cover undergraduate and graduate teaching processes, as well as academic and business administrative practices.

How Can an Institution Get Started?

Before beginning a benchmarking study, an institution should decide if benchmarking is the correct quality improvement tool for the situation. After processes are selected for analysis, the appropriate personnel, who have a working knowledge of the area undergoing the benchmarking analysis should then be chosen to conduct the study. A college and university can take part in an externally sponsored benchmarking project with predefined objectives, or conduct a project on its own or with the help of consultants. It is recommended that, as a start, an institution new to benchmarking, begin with a more "grassroots" level departmental or administrative project that measures best practices internally, or with local competitors. An institution that is more advanced in quality improvement efforts can seek out world-class competitors better and implement the findings more readily than a benchmarking novice (Marchese 1995b). Information on prospective benchmarking partners can be obtained from libraries, professional associations, personal contacts, and data sharing consortia. Once the benchmarking data is collected and analyzed, it can be distributed in a benchmarking report internally within the institution and externally to benchmarking partners for implementation of imrpoved processes. The overall goal is the adaption of the process enablers at the home institution to achieve effective quality improvement. Benchmarking is more than just gathering data. It involves adapting a new approach of continually questioning how processes are performed, seeking out best practices, and implementing new models of operation.

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